

KPCB, iFund 

Mobile Market Perspective:
spectrum + devices + open = innovation

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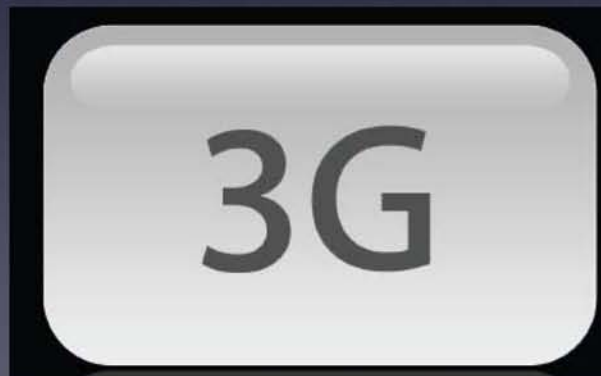
Mobile The Next Great Platform...



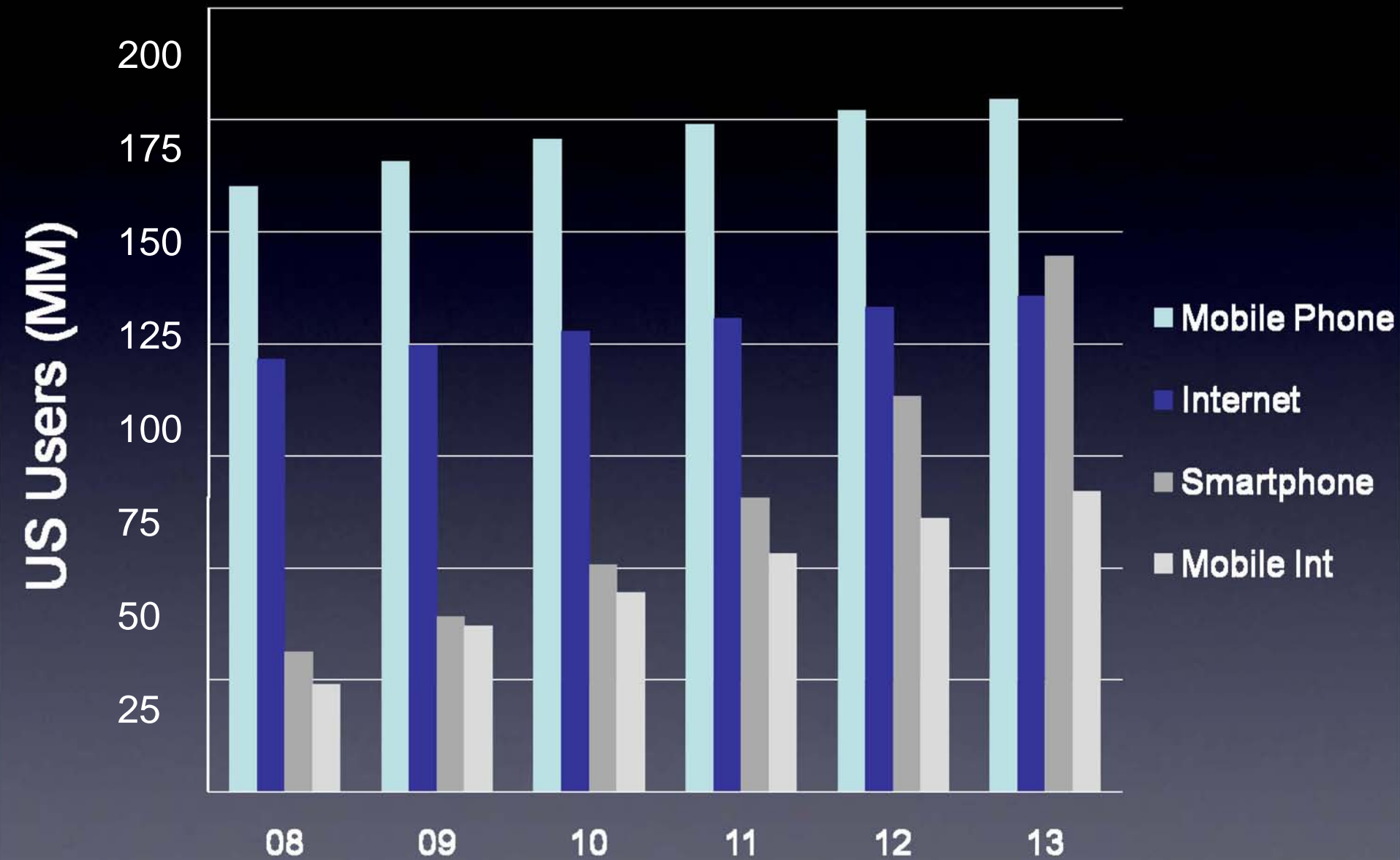
Why Now?

- ☐ High mobile penetration
- ☐ Fast(er) wireless broadband data
- ☐ Proliferation of applications/services, smartphones, real browsers
- ☐ Increased consumer demand
- ☐ More favorable data pricing

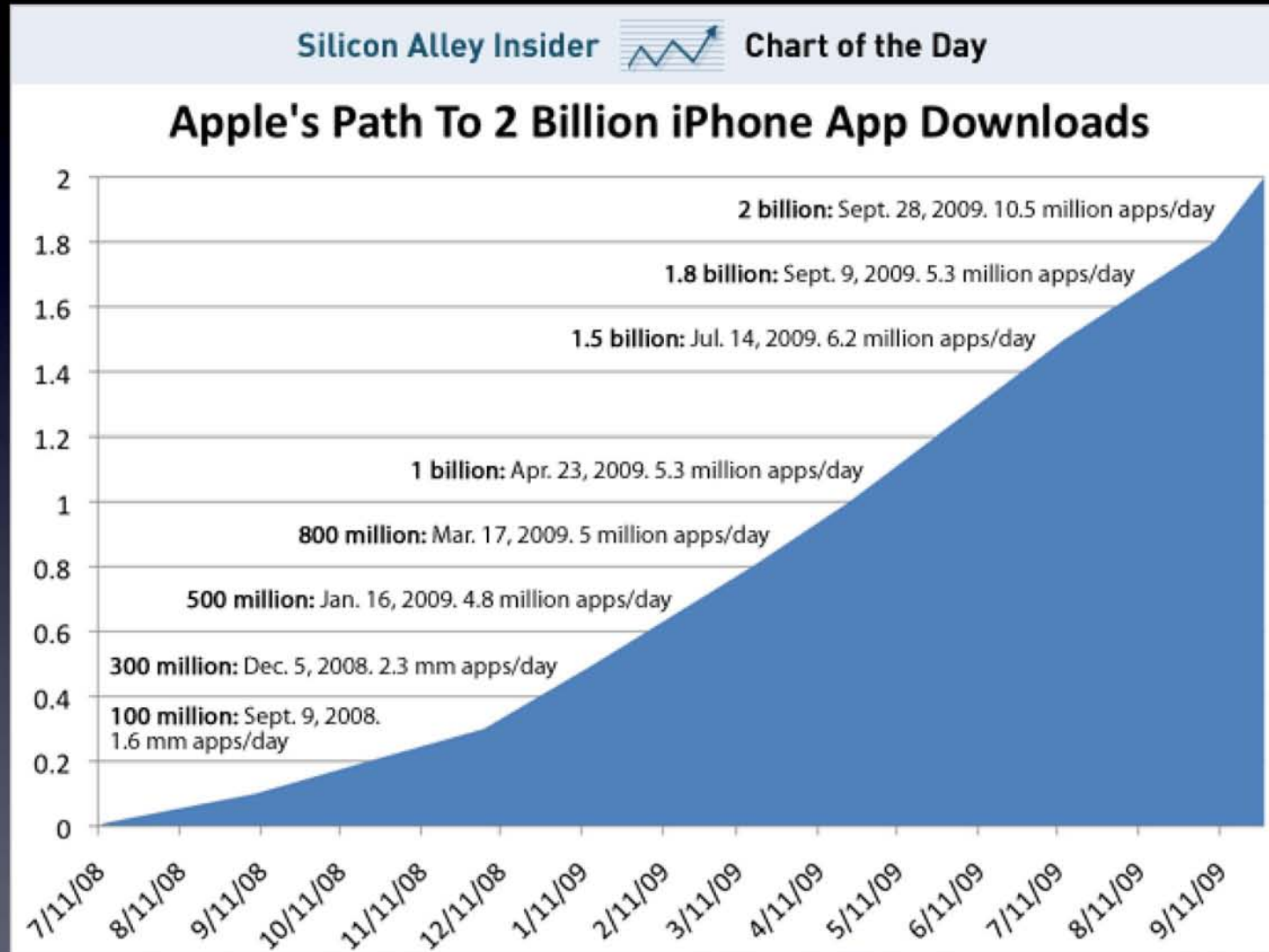
Powerful Trends



Powerful Trends...

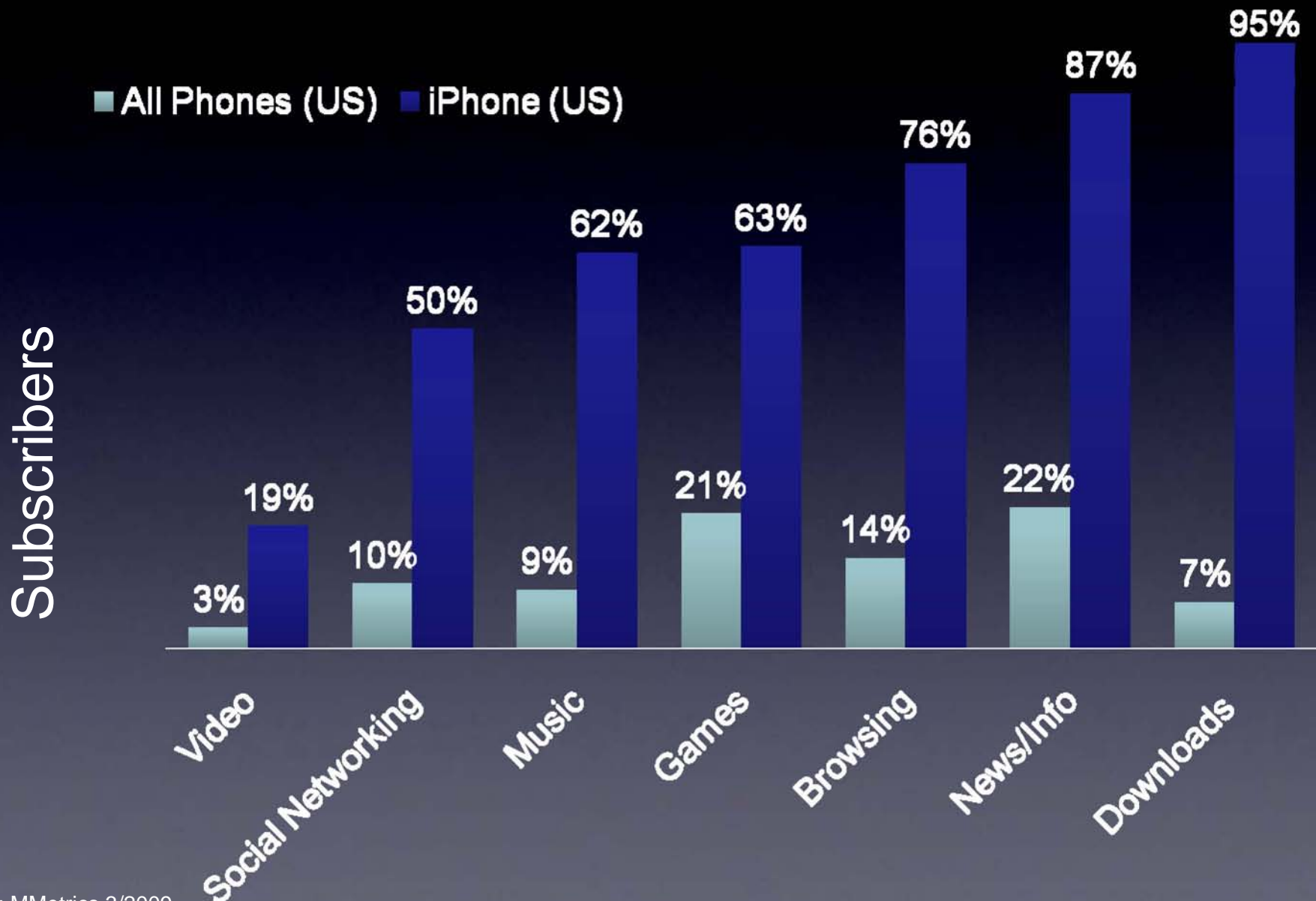


Download Velocity Accelerating...

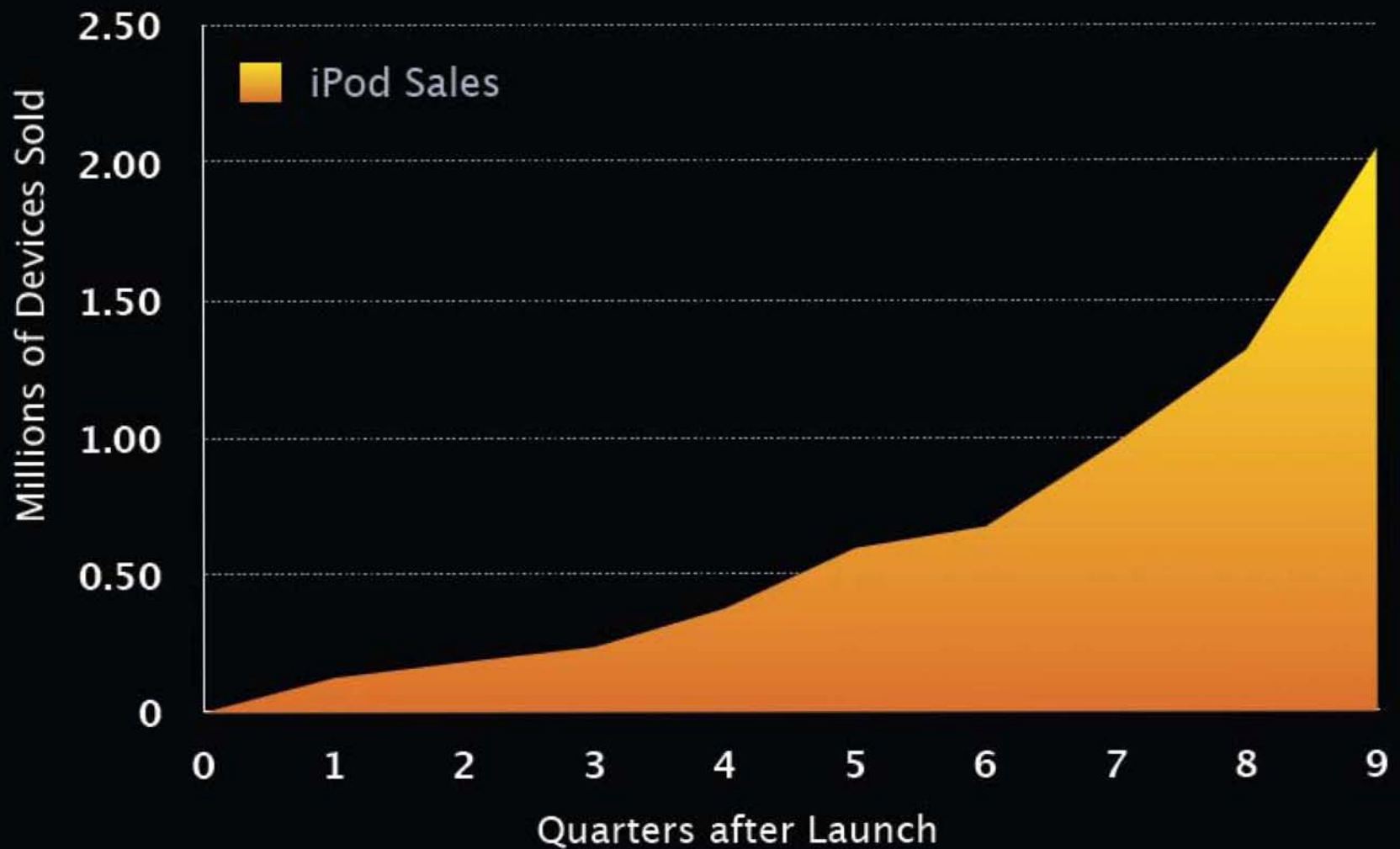


Application downloaded per iphone every 6 days vs every 6 months on all phones

iPhone is Changing Behavior

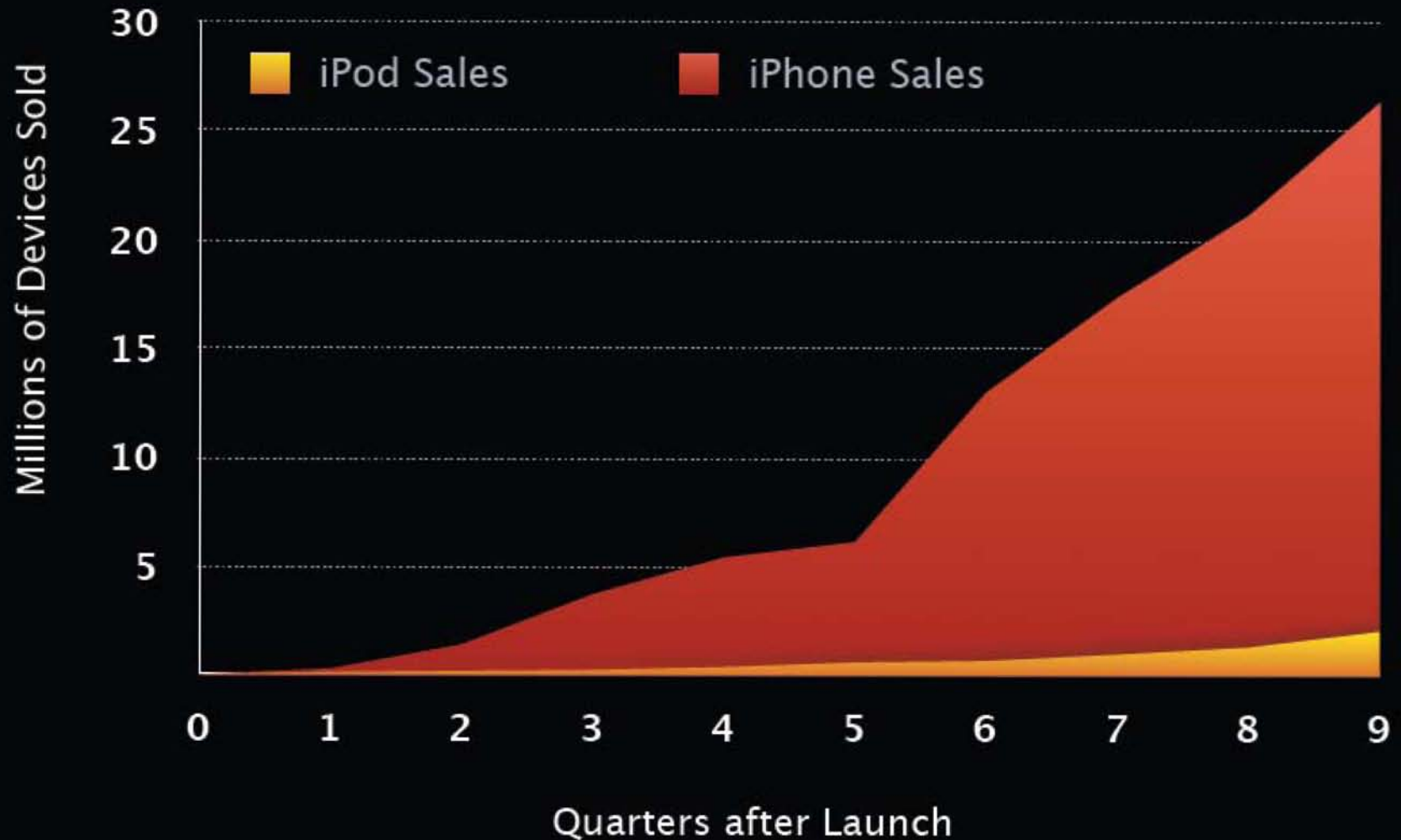


iPod Became Ubiquitous



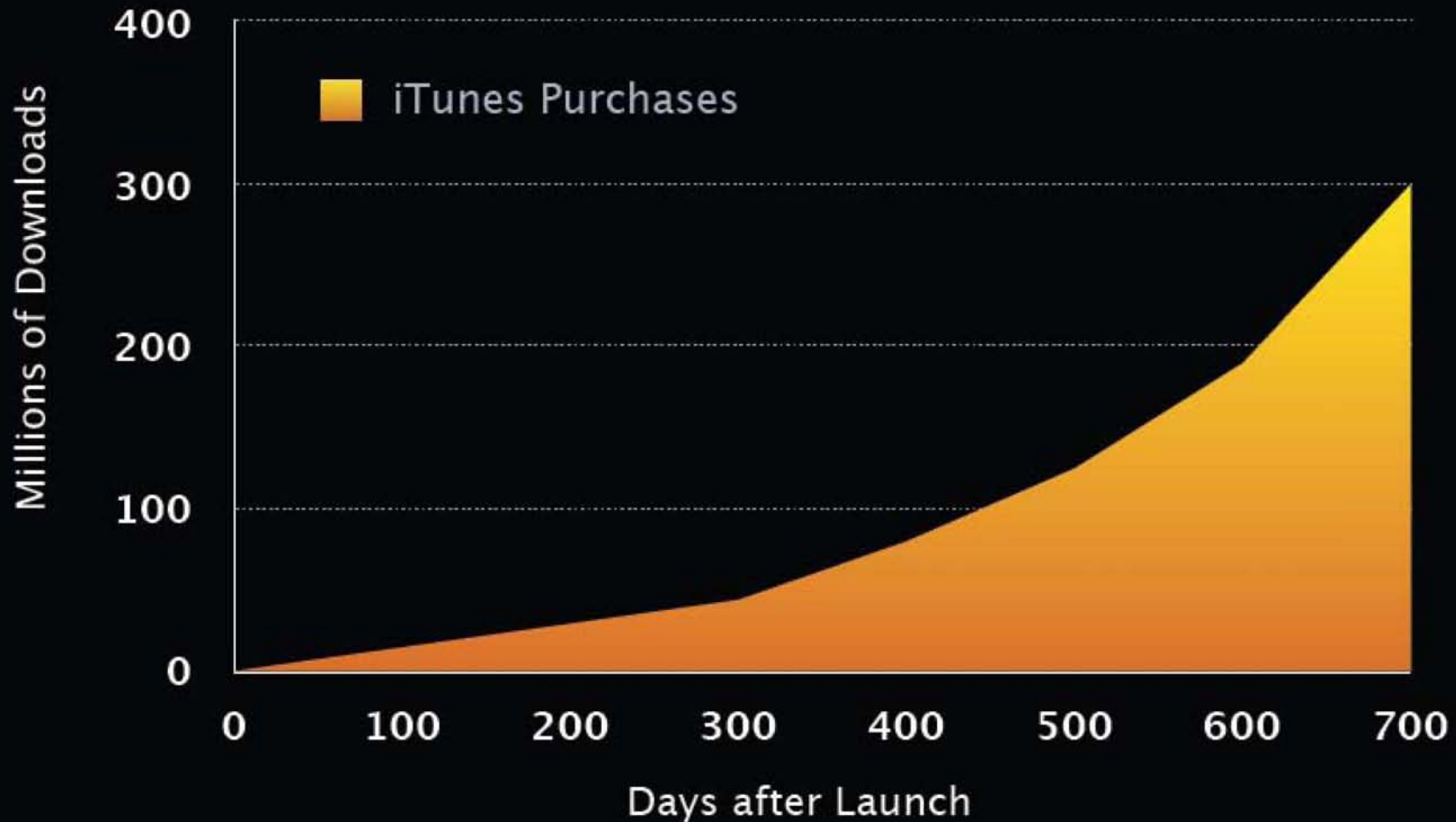
Source: Apple Inc. Public Filings & Announcements

...But iPhone Dwarfs iPod



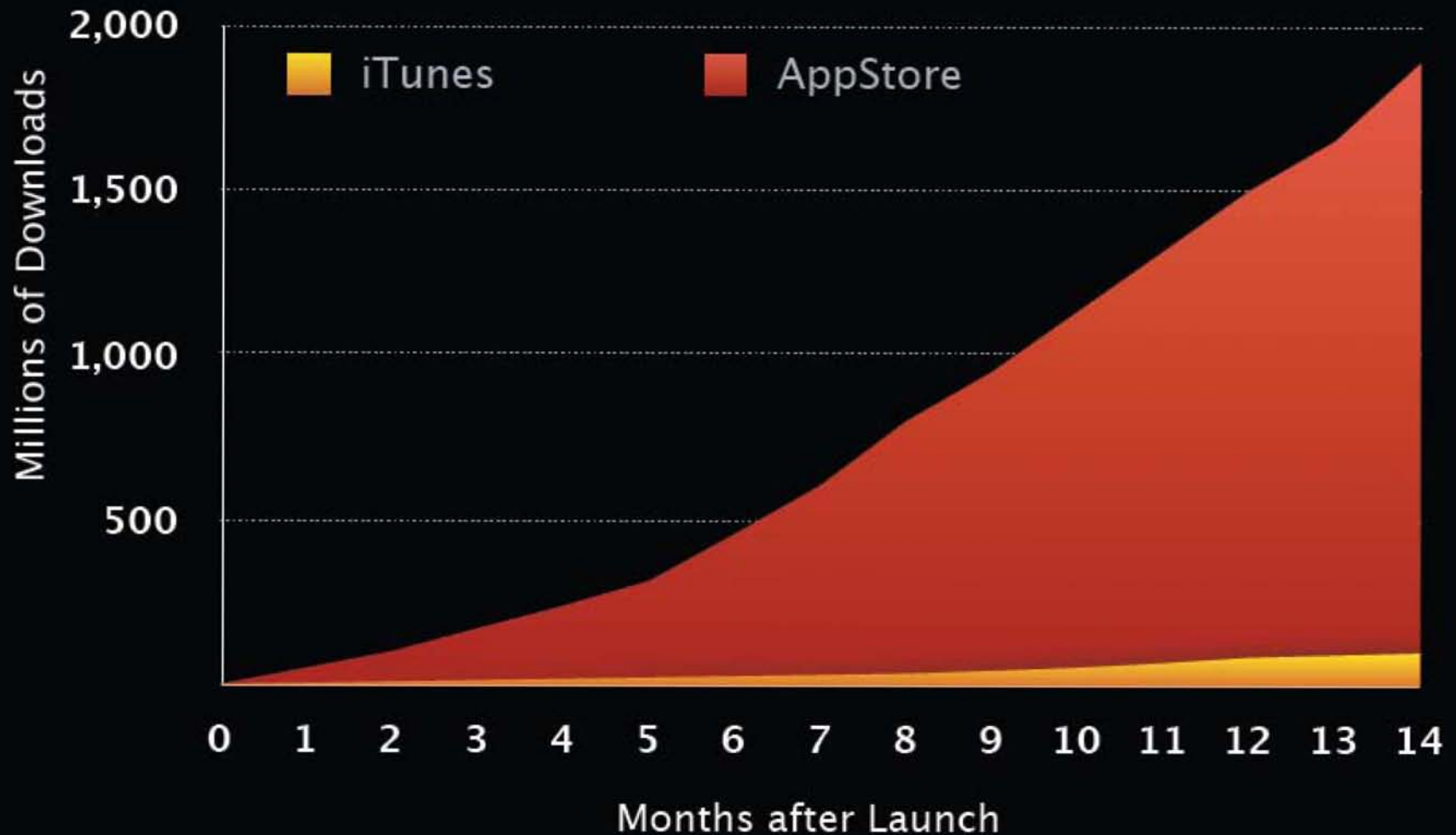
Source: Apple Inc. Public Filings & Announcements

iTunes Is a Juggernaut...



Source: Apple Inc. Public Filings & Announcements

...But AppStore Blows it Away



Source: Apple Inc. Public Filings & Announcements

iPhone Developers: Opportunity for All

Lifestyle

Urbanspoon
Piano
TapDefense
Trism
Blimp Pilots

Incumbents/ Brands

Starbucks
Chipotle
Amazon
Audi
Facebook
Google

Swing
For The
Fence

iFund
Shazam
Pandora
Smule

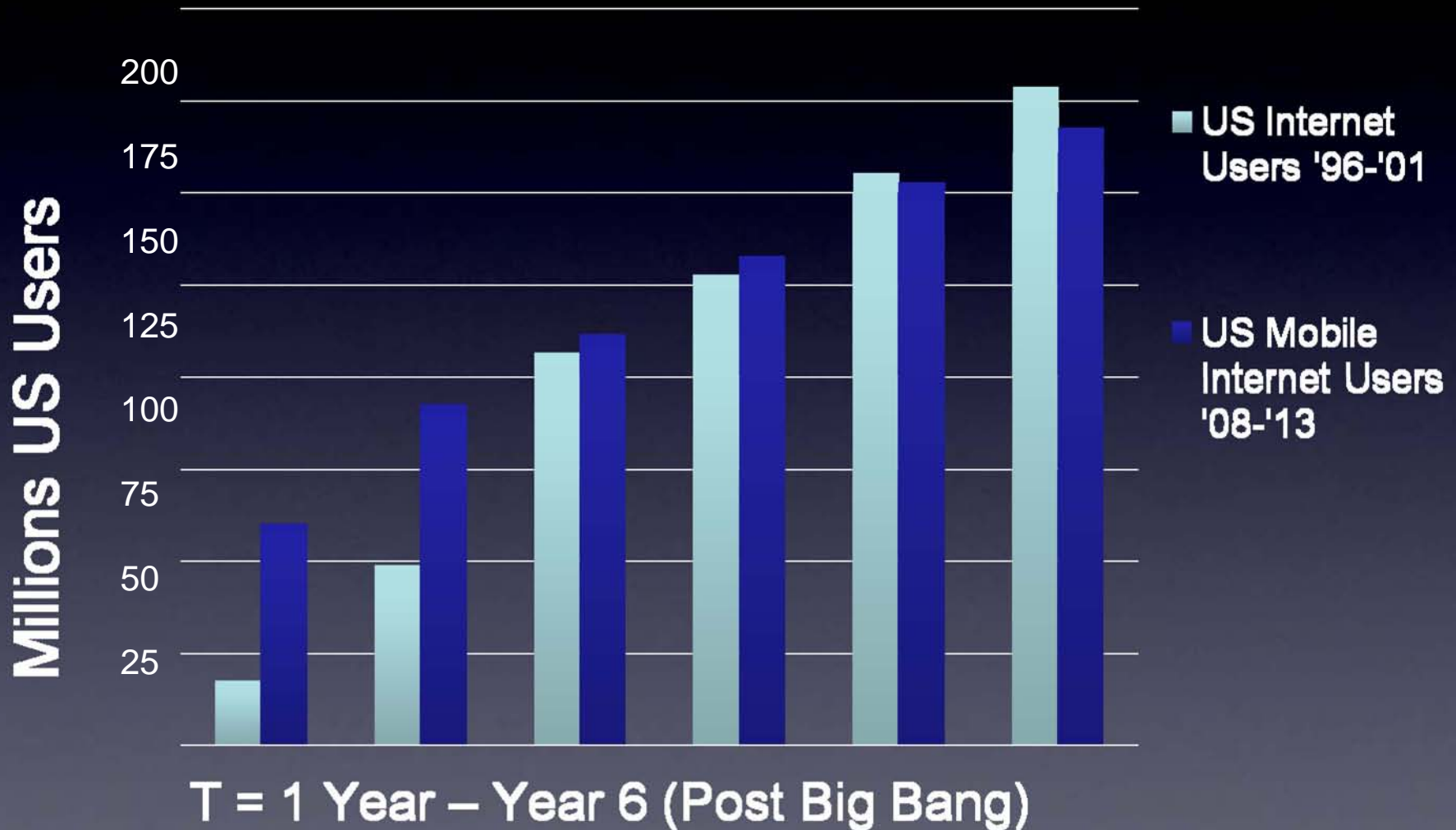
Impact of the AppStore...



Key ingredients for success:

- 99% open platform w/ clear, reasonable business terms (70/30)
- 3G + great devices + payment platform

Bing Bang Moments For The Internet/mInternet: Netscape '96, iPhone '08



What Else is Needed?

- Open access networks (multiple app stores, low friction to get on the network)
- Open platform networks (variety of devices that connect to the networks without paying a prohibitive tax)
- Highly affordable networks for consumers
- Multiple nationwide networks to spur competition and serve all constituencies (coverage, higher speed networks, flexible pricing models).

Specific Idea: the Opportunity in AWS-3

Service Description:	Free Minimum of 768 Kbps	Premium/Wholesale 3-6 Mbps
	<ul style="list-style-type: none">» Free Service @ 768 Kbps» Instant install, 'Fixed portable' use, nationwide coverage» Consumer buys CPE such as netbooks and other smart devices	<ul style="list-style-type: none">» Minimum 3 Mbps service» Instant install, 'Fixed portable' use, nationwide coverage» Enables nationwide roaming

Net Neutrality

- **Open access network:** no blocking of content (similar to 700 MHz "C" Block);⁴
- **Open platform network:** no proprietary end-user equipment (similar to 700 MHz "C" Block);⁵

Universal Access

- **Nationwide Free Broadband Service:** at least 25% of the network capacity dedicated to a free (no monthly subscription charge or other fees) service with a minimum of 768 kbps (download) which is the FCC's definition of basic broadband;⁶
- **Aggressive build out requirements:** coverage of 50% of the population in 4 years; 95% within 10 years (with license revocation as a remedy for failure to comply).⁷

...Developing alternative types of networks will drive investment in new mobile apps.